



# *Appendix F* *Analysis of* *Overpayment*

*Regional Housing Needs Determination  
Association of Bay Area Governments*

## Analysis of Overpayment

According to state and federal law, a lower-income household that pays more than 30 percent of its income for housing is living in unaffordable housing. These households are classified as “overpaying” for housing. *See definitions on page 27.* Household incomes are divided into four categories: very-low, low, moderate and above-moderate income. Each category corresponds to a proportion of the region’s household income distribution. The lower-income distinction includes both the very low- and low-income categories, representing households with incomes up to 80 percent of the regional median household income.

The latest data available on household income characteristics can be obtained from the 1990 Census. The 1990 Census reports a regional median household income of \$41,595. Therefore, lower-income households in the Bay Area have a household income of \$33,276 or less. Meeting the housing needs for the region’s lower-income households is a principal part of State Housing Element Law. Jurisdictions in the region must identify strategies that will make available affordable housing opportunities for its lower-income household population. This analysis identifies the portion of each jurisdiction’s lower-income households that overpay for housing, as determined by the 1990 Census. The tables are divided by tenure, owner vs. renter.

1990 Census tables H50 and H59 identify household income in 1989 by both gross rent and selected monthly owner cost, as a percentage of household income. These Census tabulations are divided into the following income ranges, (1) Less than \$10,000, (2) \$10,000 to \$19,999, (3) \$20,000 to \$34,999, (4) \$35,000 to \$49,999, (5) \$50,000 or more. The tabulation further identifies the percentage of annual income these households paid for housing.

Using this information, it is possible to determine the number of renter and owner occupied households in the region that overpaid for housing, and thus were living in unaffordable housing.

The first step in conducting this analysis involves selecting the number of households that had an annual income up to 80% of the regional median income (lower-income households) for both owner and renter households. As mentioned earlier, lower-income households include all households with an annual income of less than \$33,276.

Since the annual household income of \$33,276, falls within the annual income range of \$20,000 to \$34,999, it is necessary to estimate the number of lower-income households that fall between the \$20,000 to \$33,276 range. Assuming the number of households in the \$20,000 to \$34,999 range are evenly distributed, the difference between \$20,000 and \$33,276 is calculated. This difference, divided by \$14,999, yields the proportion of lower-income households that fall between \$20,000 and \$33,276. Multiplying this proportion by the total number of households in the \$20,000 to \$34,999 range results in an estimate of the number of lower-income households between \$20,000 and \$33,276.

Adding the number of lower-income households between \$20,000 and \$33,276 that paid 30 percent or more of their annual income for housing, to the total number of lower-income households between \$10,000 to \$19,999 that paid 30 percent or more of their annual income for housing, yields the total number of lower-income households that overpaid for housing. Dividing the total number of lower-income households that overpaid for housing- for both owners and renters, by the total number of lower-income households, yields the proportion of lower-income households that overpaid for housing.

## Appendix F

The following tables illustrate the proportion of lower-income households overpaying for housing in each jurisdiction. For each of the nine counties in the region, on a countywide basis, the number of lower-income renter households that overpay for housing is larger than the lower-income owner occupied households that overpay for housing.

However, in a few jurisdictions where there are typically higher costs associated with housing, the number of lower-income owner occupied households that overpay for housing is larger than the total number of lower-income renter households that overpay for housing. While it may be true that in many of these cases the total number of renter households is less than the total number of owner occupied households, it is nevertheless a surprising trend.

**Table F-1. Low-Income Households Overpaying for Housing**  
**Alameda County and Cities**

Jurisdiction	Total Low Inc. Owners	Total Low Inc. Renters	Overpaying Low Inc. Owners	Overpaying Low Inc. Renters	% Low Inc. Overpaying Owners	% Low Inc. Overpaying Renters
ALAMEDA	2,618	8,224	932	3,775	35.6%	45.9%
ALBANY	911	2,144	253	1,031	27.8%	48.1%
BERKELEY	4,121	16,584	2,033	9,305	49.3%	56.1%
DUBLIN	693	870	418	412	60.3%	47.4%
EMERYVILLE	56	986	11	524	19.6%	53.1%
FREMONT	5,308	8,749	2,486	4,670	46.8%	53.4%
HAYWARD	4,934	10,715	1,878	5,643	38.1%	52.7%
LIVERMORE	2,142	3,134	1,054	1,764	49.2%	56.3%
NEWARK	1,407	1,529	672	1,082	47.8%	70.8%
OAKLAND	18,862	56,946	9,316	33,854	49.4%	59.4%
PIEDMONT	409	89	197	60	48.2%	67.4%
PLEASANTON	1,198	2,139	738	882	61.6%	41.2%
SAN LEANDRO	5,505	6,170	1,762	3,352	32.0%	54.3%
UNION CITY	1,416	2,259	809	1,343	57.1%	59.5%
<b>Total</b>	<b>49,580</b>	<b>120,538</b>	<b>22,559</b>	<b>67,697</b>		

**Table F-2. Low-Income Households Overpaying for Housing  
Contra Costa County and Cities**

Jurisdiction	Total Low Inc. Owners	Total Low Inc. Renters	Overpaying Low Inc. Owners	Overpaying Low Inc. Renters	% Low Inc. Overpaying Owners	% Low Inc. Overpaying Renters
ANTIOCH	3,107	4,524	1,568	2,723	50.5%	60.2%
BRENTWOOD	295	466	153	276	51.9%	59.2%
CLAYTON	207	59	132	27	63.8%	45.8%
CONCORD	4,679	8,803	2,383	4,933	50.9%	56.0%
DANVILLE	923	412	487	255	52.8%	61.9%
EL CERRITO	1,770	1,855	512	974	28.9%	52.5%
HERCULES	414	172	328	126	79.2%	73.3%
LAFAYETTE	897	932	420	578	46.8%	62.0%
MARTINEZ	1,429	2,198	692	1,216	48.4%	55.3%
MORAGA	473	342	265	236	56.0%	69.0%
OAKLEY	736	537	443	293	60.2%	54.6%
ORINDA	616	199	274	189	44.5%	95.0%
PINOLE	978	680	482	329	49.3%	48.4%
PITTSBURG	2,487	3,444	1,224	1,742	49.2%	50.6%
PLEASANT HILL	1,609	2,302	649	1,334	40.3%	57.9%
RICHMOND	5,691	9,528	2,382	5,534	41.9%	58.1%
SAN PABLO	1,237	3,325	531	1,948	42.9%	58.6%
SAN RAMON	676	1,149	464	654	68.6%	56.9%
WALNUT CREEK	2,061	4,332	1,142	2,221	55.4%	51.3%
<b>Total</b>	<b>30,285</b>	<b>45,259</b>	<b>14,531</b>	<b>25,588</b>		

**Table F-3. Low-Income Households Overpaying for Housing**  
**Marin County and Cities**

Jurisdiction	Total Low Inc. Owners	Total Low Inc. Renters	Overpaying Low Inc. Owners	Overpaying Low Inc. Renters	% Low Inc. Overpaying Owners	% Low Inc. Overpaying Renters
BELVEDERE	50	57	35	57	70.0%	100.0%
CORTE MADERA	496	402	195	324	39.3%	80.6%
FAIRFAX	358	644	214	305	59.8%	47.4%
LARKSPUR	411	1,215	236	651	57.4%	53.6%
MILL VALLEY	633	963	276	600	43.6%	62.3%
NOVATO	1,752	3,279	890	1,701	50.8%	51.9%
ROSS	73	16	56	0	76.7%	0.0%
SAN ANSELMO	756	982	298	633	39.4%	64.5%
SAN RAFAEL	1,869	5,193	933	3,088	49.9%	59.5%
SAUSALITO	89	686	58	455	65.2%	66.3%
TIBURON	242	307	158	188	65.3%	61.2%
<b>Total</b>	<b>6,729</b>	<b>13,744</b>	<b>3,349</b>	<b>8,002</b>		

**Table F-4. Low-Income Households Overpaying for Housing**  
**San Francisco City and County**

Jurisdiction	Total Low Inc. Owners	Total Low Inc. Renters	Overpaying Low Inc. Owners	Overpaying Low Inc. Renters	% Low Inc. Overpaying Owners	% Low Inc. Overpaying Renters
<b>SAN FRANCISCO</b>	24,398	108,331	8,975	59,805	36.8%	55.2%

**Table F-5. Low-Income Households Overpaying for Housing**  
**Napa County and Cities**

Jurisdiction	Total Low Inc. Owners	Total Low Inc. Renters	Overpaying Low Inc. Owners	Overpaying Low Inc. Renters	% Low Inc. Overpaying Owners	% Low Inc. Overpaying Renters
AMERICAN CANYON	449	202	212	101	47.2%	50.0%
CALISTOGA	188	522	76	298	40.4%	57.1%
NAPA	3,516	5,769	1,474	3,342	41.9%	57.9%
ST HELENA	399	469	129	271	32.3%	57.8%
YOUNTVILLE	100	111	42	73	42.0%	65.8%
<b>Total</b>	<b>4,652</b>	<b>7,073</b>	<b>1,933</b>	<b>4,085</b>		

**Table F-6. Low-Income Households Overpaying for Housing**  
**San Mateo County and Cities**

Jurisdiction	Total Low Inc. Owners	Total Low Inc. Renters	Overpaying Low Inc. Owners	Overpaying Low Inc. Renters	% Low Inc. Overpaying Owners	% Low Inc. Overpaying Renters
ATHERTON	135	40	86	21	63.7%	52.5%
BELMONT	903	1,965	332	802	36.8%	40.8%
BRISBANE	197	264	88	133	44.7%	50.4%
BURLINGAME	1,240	2,772	384	1,256	31.0%	45.3%
COLMA	56	83	17	27	30.4%	32.5%
DALY CITY	3,881	5,690	1,695	3,042	43.7%	53.5%
EAST PALO ALTO	1,072	2,489	582	1,344	54.3%	54.0%
FOSTER CITY	649	987	433	620	66.7%	62.8%
HALF MOON BAY	284	328	136	179	47.9%	54.6%
HILLSBOROUGH	247	22	194	19	78.5%	86.4%
MENLO PARK	1,181	2,173	520	1,374	44.0%	63.2%
MILLBRAE	1,170	1,367	403	904	34.4%	66.1%
PACIFICA	1,755	1,830	797	966	45.4%	52.8%
PORTOLA VALLEY	82	89	47	60	57.3%	67.4%
REDWOOD CITY	2,287	6,029	933	3,534	40.8%	58.6%
SAN BRUNO	2,067	2,443	869	1,234	42.0%	50.5%
SAN CARLOS	1,373	1,254	519	620	37.8%	49.4%
SAN MATEO	3,507	7,399	1,318	3,910	37.6%	52.8%
SOUTH SAN FRANCISCO	2,755	3,262	933	1,670	33.9%	51.2%
WOODSIDE	134	47	61	15	45.5%	31.9%
<b>Total</b>	<b>24,975</b>	<b>40,533</b>	<b>10,347</b>	<b>21,730</b>		

**Table F-7. Low-Income Households Overpaying for Housing  
Santa Clara County and Cities**

Jurisdiction	Total Low Inc. Owners	Total Low Inc. Renters	Overpaying Low Inc. Owners	Overpaying Low Inc. Renters	% Low Inc. Overpaying Owners	% Low Inc. Overpaying Renters
CAMPBELL	1,100	3,707	440	1,934	40.0%	52.2%
CUPERTINO	984	1,469	471	814	47.9%	55.4%
GILROY	1,025	2,430	524	1,343	51.1%	55.3%
LOS ALTOS	1,026	343	379	201	36.9%	58.6%
LOS ALTOS HILLS	131	20	75	20	57.3%	100.0%
LOS GATOS	936	1,713	452	816	48.3%	47.6%
MILPITAS	1,048	1,615	523	1,019	49.9%	63.1%
MONTE SERENO	84	23	31	8	36.9%	34.8%
MORGAN HILL	574	959	332	610	57.8%	63.6%
MOUNTAIN VIEW	1,672	7,882	603	3,808	36.1%	48.3%
PALO ALTO	2,042	4,071	674	2,312	33.0%	56.8%
SAN JOSE	23,874	47,191	12,677	27,301	53.1%	57.9%
SANTA CLARA	3,764	7,639	1,211	4,208	32.2%	55.1%
SARATOGA	708	351	268	245	37.9%	69.8%
SUNNYVALE	3,149	9,240	1,250	4,731	39.7%	51.2%
<b>Total</b>	<b>42,117</b>	<b>88,653</b>	<b>19,910</b>	<b>49,370</b>		

**Table F-8. Low-Income Households Overpaying for Housing  
Solano County and Cities**

Jurisdiction	Total Low Inc. Owners	Total Low Inc. Renters	Overpaying Low Inc. Owners	Overpaying Low Inc. Renters	% Low Inc. Overpaying Owners	% Low Inc. Overpaying Renters
BENICIA	847	1,461	447	747	52.8%	51.1%
DIXON	671	701	303	295	45.2%	42.1%
FAIRFIELD	3,194	6,661	1,720	3,020	53.9%	45.3%
RIO VISTA	249	317	87	185	34.9%	58.4%
SUISUN CITY	902	1,408	716	923	79.4%	65.6%
VACAVILLE	3,071	4,365	1,520	2,204	49.5%	50.5%
VALLEJO	5,991	8,726	2,776	4,593	46.3%	52.6%
<b>Total</b>	<b>14,925</b>	<b>23,639</b>	<b>7,569</b>	<b>11,967</b>		

**Table F-9. Low-Income Households Overpaying for Housing  
Sonoma County and Cities**

Jurisdiction	Total Low Inc. Owners	Total Low Inc. Renters	Overpaying Low Inc. Owners	Overpaying Low Inc. Renters	% Low Inc. Overpaying Owners	% Low Inc. Overpaying Renters
CLOVERDALE	372	440	159	176	42.7%	40.0%
COTATI	304	514	163	240	53.6%	46.7%
HEALDSBURG	788	832	324	389	41.1%	46.8%
PETALUMA	2,284	2,819	1,068	1,419	46.8%	50.3%
ROHNERT PARK	1,337	3,306	970	1,931	72.6%	58.4%
SANTA ROSA	6,431	11,469	2,896	6,642	45.0%	57.9%
SEBASTOPOL	403	834	180	487	44.7%	58.4%
SONOMA	514	863	153	516	29.8%	59.8%
WINDSOR	612	654	325	423	53.1%	64.7%
<b>Total</b>	<b>13,045</b>	<b>21,731</b>	<b>6,238</b>	<b>12,223</b>		



Table F-10. Low-Income Households Overpaying for Housing

## San Francisco Bay Region

Jurisdiction	Total Low Inc. Owners	Total Low Inc. Renters	Overpaying Low Inc. Owners	Overpaying Low Inc. Renters	% Low Inc. Overpaying Owners	% Low Inc. Overpaying Renters
ALAMEDA COUNTY	49,580	120,538	22,559	67,697	45.5%	56.2%
CONTRA COSTA COUNTY	30,285	45,259	14,531	25,588	48.0%	56.5%
MARIN COUNTY	6,729	13,744	3,349	8,002	49.8%	58.2%
NAPA COUNTY	4,652	7,073	1,933	4,085	41.6%	57.8%
SAN FRANCISCO CITY/COUNTY	24,398	108,331	8,975	59,805	36.8%	55.2%
SAN MATEO COUNTY	24,975	40,533	10,347	21,730	41.4%	53.6%
SANTA CLARA COUNTY	42,117	88,653	19,910	49,370	47.3%	55.7%
SOLANO COUNTY	14,925	23,639	7,569	11,967	50.7%	50.6%
SONOMA COUNTY	13,045	21,731	6,238	12,223	47.8%	56.2%
<b>REGIONAL TOTAL</b>	<b>210,706</b>	<b>469,501</b>	<b>95,411</b>	<b>260,467</b>		